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## A New Space for a New Generation: The Rise of Co-operatives Amongst Young People in Africa

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# A New Space For a New Generation: The Rise of Co-operatives Amongst Young People in Africa

*By Sally Hartley*



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I would like to take the opportunity to also thank Dr Linda Shaw, Co-operative College UK and Professor Hazel Johnson and Professor Gordon Wilson at Development, Policy and Practice (DPP) at the Open University UK, for their ongoing support and guidance throughout my PhD. I would also like to acknowledge that the ESRC (Economic and Social Research Council) and Co-operative College UK provide the funding for this PhD.

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Cover picture: Young Co-operatives in Lesotho. Courtesy of Julie Thorpe.  
Image on page 28 courtesy of the Uganda Co-operative Alliance.  
All other photographs courtesy of Sally Hartley.

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## Contents

Foreword	5
Introduction	7
Context of Young People and Co-operatives	9
Outline of the Research	20
The Co-operative Sector in Lesotho and Uganda	24
The Engagement Between Young People and Co-operatives	31
Conclusions and Policy Recommendations	61
Appendix 1 – Comparative Information for Lesotho and Uganda	66
Appendix 2 – International Co-operative Alliance Statement on the Co-operative Identity	68
References	70
Footnotes	75

Acronyms	
CCA	Canadian Co-operative Association
FGD	Focus Group Discussion
GBP	Great British Pounds
ICA	International Co-operative Alliance
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
NGO	Non-Government Organisation
SACCO	Savings And Credit Co-operative Organisation
SCC	Swedish Co-operative Centre
UCA	Uganda Co-operative Alliance
UK	United Kingdom
UN	United Nations
YEEO	Youth Economic Empowerment through Co-operatives Project

# Foreword

I am pleased to introduce this new College paper which focuses on one of the most pressing challenges for the co-operative movement today: how the co-operative movement can engage with and support the aspirations of young people. The paper highlights some of the innovative ways in which this engagement is being fostered in Africa today and how co-operatives provide not just opportunities for gaining an income but play a vital educational role.

The paper is also important because it reflects a growing partnership between the Co-operative College and the Open University. Sally Hartley, the researcher and author, has carried out her research as part of a joint doctoral programme between the two institutions funded by the UK Economic and Social Research Council. The development and publication of the paper was also carried out under the Co-operatives for Development programme supported by the UK Department for International Development. Finally, many thanks to Sally for finding the time to share her research findings. The paper would not have been possible without not only her hard work but her enthusiasm and commitment to working with young people and their co-operatives.

## **Dr Linda Shaw – Vice Principal, Co-operative College**

It also gives me great pleasure to help introduce this Co-operative College Paper by Sally Hartley. Professor Gordon Wilson in the Development Policy and Practice Group at the Open University and I have been watching this project blossom from an initial outline to a fascinating study of the engagement of youth with the co-operative movement in Uganda (and Lesotho). A paper on youth could not be more timely, as interest in and concern for the future of young people grows. Ways forward that meet the needs of youth and which youth identify with, shape and steer are badly needed. Sally's work on their involvement in co-operatives brings some of the opportunities and challenges to our attention, and her own background of working with youth has enabled her to capture their concerns and aspirations.

I am also very pleased that Gordon Wilson and I are involved in this joint research venture with the Co-operative College, which is enabling Sally Hartley to carry out her research with a combination of Co-operative



College funding and an Economic and Social Research Council collaborative studentship. I would like to acknowledge the Open University's debt to both the Co-operative College and the ESRC.

I hope that readers will find this College Paper an illuminating study of the potential (and challenges) of co-operatives to engage youth, and of youth's role in shaping development.

**Professor Hazel Johnson – Head of the Development Policy and Practice Group, Open University**

In her research, Sally sets out to answer the question of whether co-operatives in Africa can enable young people to form a successful business which in turn can generate income and act as an effective mechanism for collective action. The author finds that young people in Africa face many challenges and exist at the margin of society economically, politically and socially. In addition, they are seen as a financial burden to the governments due to the higher needs in terms of providing them with education, and health. She investigates the potential of co-operatives to help the youth tackle these many challenges.

The author advocates for more investment in young people through education which will enable them to be more economically productive by setting up a business or a job and begin to look after themselves and their families. In her research, Sally Hartley uses a qualitative analysis to build an in-depth understanding of groups of young people and their engagement with co-operatives. What differentiates this research is the fact that the researcher takes a broader view of how co-operatives can impact on the youth both as individuals and as members of society. She examines the various ways by which the youth benefited from co-operatives including access to user friendly finance, increased income, personal development and a list of many different skills. She concludes that for the young people to benefit, co-operatives have to be successful and discusses the factors that make co-operatives successful.

The study and its findings provide not only a new approach for co-operative analysis but also a very good tool for those involved in co-operative development especially for the youth.

**Leonard Msemakweli, General Secretary, Uganda Co-operative Alliance**

# Introduction

## Why young people? Why co-operatives?

This paper explores the interaction between young people and co-operatives in Africa. Young people are critical for development in Africa since young people between 15 and 24 years of age make up 35% of the population in sub-Saharan Africa alone (UN, 2007). This represents both a possible threat and opportunity for development: a fiscal drain, for example in the fields of health and education, but also a larger workforce and potential for engagement in productive enterprise. Co-operatives represent one possible pathway for young people to create businesses and generate income. Can co-operatives enable people to form an effective business, which in turn can generate income and can act as an effective mechanism for collective action?

*“The key to a more prosperous Africa lies in the hands of its younger generations. They will be the dynamic drivers of poverty reduction through long-term economic growth that creates employment.”*

(Africa Commission Report, 2009)

When young people participate in a group, such as a co-operative, synergies are created – such as pooling financial resources, sharing knowledge, building on each other's networks – that would not be possible if the young person was working alone to establish a business. Furthermore as co-operatives have social as well as economic identities, underpinned by their values such as democratic membership and concern for the community, they can help young people realise and develop their ideas about community and society. This in turn leads to them changing and developing personally and this alongside the fact that they can acquire business and vocational skills through being a member of a co-operative mean that co-operatives can be seen as learning spaces for young people as well as a way to develop a livelihood and generate income.



Young co-operators voting in leadership elections at their Annual General Meeting in Uganda

*“The question of youth co-operatives is critical because it is not just learning how to do Co-operative business, but the values and principles which go with it, which create a vision of a just society in the minds of youth.”*

(Chambo, 2007)

This paper is based on doctoral research conducted into the engagement between young people and co-operatives in Africa. It reviews the findings of field research carried out in 2010 in Lesotho and Uganda and is jointly supervised by the Open University and the Co-operative College. The doctoral programme is supported by a Case studentship scheme funded by the UK Economic and Social Research Council<sup>1</sup>.

# Context of Young People and Co-operatives

## Young people in Africa

Young people in Africa face many challenges. In rural areas, traditional cultures remain strong with elder members being highly respected and young people are often seen as still developing and as such not invited to participate in village activities. The status of young people is low. They are also the group most at risk from issues such as HIV and AIDS and unplanned pregnancy and can often become involved in conflict and unrest. Unemployment rates are high for young people and finding a job is difficult. As a result, they may turn to agriculture or casual employment but all too often making a decent livelihood remains very difficult.

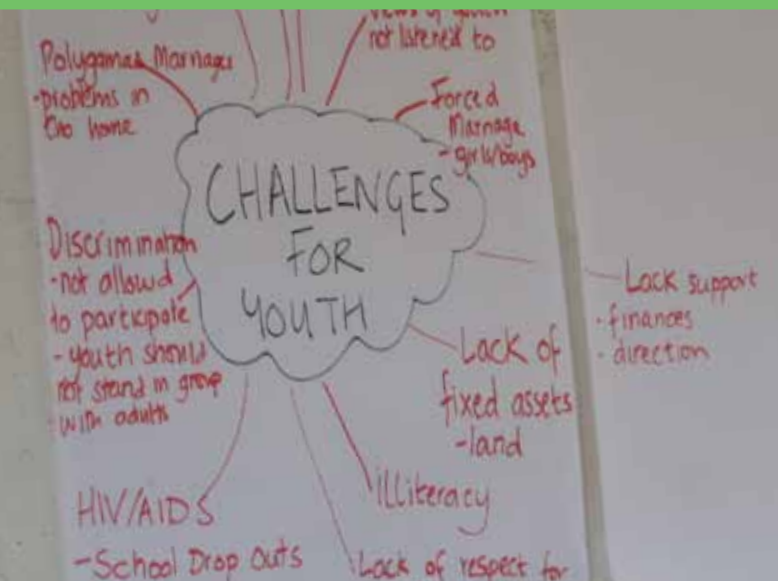
The reality is that young people are often marginalised and at the edge of the central economic, social and political aspects of life: their participation is obstructed and their voices are going unheard (Honwana & De Boeck, 2005). This is linked to perceptions about young people, who are often associated with a lack of social status and elders' voices and ideas are seen as more important.

The number of young people also represents a potential fiscal drain on the government's already limited resources – their educational and health needs have a high financial cost for governments especially if young people are without a livelihood. However, alongside this there is also recognition that Africa is changing; traditional cultures have to adjust in the face of modernisation trends. Within this environment young people are being seen as the hope for the future and the right group to blend the old traditions and the new modern ideas.

## Defining 'youth'

This is not as straightforward as it might seem as definitions vary. The United Nations, for example, states that young people are 15 to 24 years old, whereas the Uganda government defines youth as being 12 to 30 years old. It is perhaps most useful to understand youth as a period of a person's life when they develop identity: deciding and developing who they are; how they relate to their community and to society in general. Youth is a time of transition from being a child to becoming an adult, with lives changing economically, biologically, mentally and socially. It is a time when young people make decisions which will affect their future, for the better and for the worse. Young people are often categorised in relation to factors other than age. These can include their economic or social status: children can become 'adults' at an early age, often when they take on adult activities such as having a child, getting married, going to work, or being responsible for younger siblings (Honwana & De Boeck, 2005; World Bank, 2007).

Young people's lives and experiences differ widely, based on where they live, their gender, their economic background and education. For young people in Africa, living in a rural area means they will have less access to education and be more likely to leave school early. Girls are more likely to marry young and have children; they will tend to be poorer. Even within a single country, there are likely to be considerable differences as the following examples from Lesotho illustrate:



Focus Group Discussion with young co-operators, Uganda

## **Box 1<sup>2</sup> – Differences between young people - examples from Lesotho**

### **Rethabile's Story – 23 year old female living in Maseru, the capital of Lesotho.**

Rethabile has just finished her degree in Social Work at University in Maseru. She is now looking for work either with the government or with an NGO (Non-Government Organisation) – she has sent many applications off but has had no luck and knows that jobs are hard to come by. She is consequently now looking for voluntary work to help her get more experience and also keep her busy. She lives with her family who have helped her to pay for her schooling and also her University studies. She joined her co-operative to gain some extra income and also develop skills that she would need for work – she is now looking to focus more time on the co-operative in the hope that it can make her some extra income.

### **Agnes's Story – 22 year old female living in Hasimone, a rural village in Leribe District.**

Agnes is married and has two small children. She left school one year before she was due to take her leaving exams – she had to leave as she could not afford the school fees anymore. She is now working as a cook at a nursery school and joined a co-operative to try and increase her income. Her husband encouraged her to join the co-operative as he is the Chair. She lives with her husband and children and has a small kitchen garden where they grow vegetables for the family. Together they support themselves and their children – they are paying for the children to go to nursery school as they think education at an early age will give their children a chance for the future but also support the wider family where necessary.

## Access to education

Access to education is critical for young people as it influences what livelihood options are open to them. Whilst primary education is now often free, students still have to pay for uniform and books which causes drop outs from school. They also have to pay for secondary school education which means a major fall in student numbers after primary school. In urban areas, there is more access to schools and quality of education tends to be better in comparison with rural areas. Tertiary level provision (for secondary school leavers) is for a very small percentage of the population. It is for young people whose family is economically productive and can afford to support them.

## Typical livelihoods

High unemployment rates in Africa means that very few young people will get a job in the formal economy; those that do will mainly work for the government and a smaller number will work for the private sector. Most people are farmers and often engaged in subsistence farming - growing crops for their own consumption. Many people will also work in the 'informal economy' which means they are not formally registered or taxed. Young people may be selling products in markets or on the streets, offering bicycle taxi rides, working as domestic servants, for example.

## The need to invest in young people

In Africa, as elsewhere, if young people can become economically productive and generate an income, by setting up a business or getting a job, they can then begin to look after themselves and their families. Having a livelihood can also give young people a sense of achievement, self-confidence and help them feel that they have a place in their community and society.

Investment in young people which enables them to be productive members of society is an investment in the future of the country. Educating young people is an investment in human capital, laying crucial foundations for economic growth such as an educated workforce (Africa Commission, 2009).



Right: Youth  
member Joyfod  
SACCO, Uganda

Below: Focus  
Group Discussion  
with young  
people, Uganda





## Co-operatives

In Africa most co-operatives operate at the village level - they are essentially groups of people who work and run an enterprise together. Farmers come together to market their produce, such as coffee or tea, since as a group they can command better prices. They also buy necessary supplies together such as fertiliser and they are able to get these at cheaper prices. Some co-operatives manage natural resources such as irrigation systems. Financial co-operatives, typically credit unions (known as Savings and Credit Co-operatives or SACCOs), provide loans and financial services at the village level. Dairy co-operatives, responsible for the collection, processing and marketing of their members' milk, have grown rapidly in recent years in East Africa.

Like co-operatives everywhere, African co-operatives have a board elected annually by their members which is accountable to them and responsible for providing strategic leadership and management. Typically a village level co-operative has between 50 and 100 members though SACCOs can be large with up to 1,000 members. Often there will be one or two paid staff responsible for the day to day operations of the enterprise – though again typically more staff tend to be employed by SACCOs.

### A co-operative revival

The co-operative sector in Africa is growing. There are increasing numbers of co-operatives being established (1 in 7 people in Africa are now part of a co-operative) (Develtere et al, 2008). And in some countries they are already established and are a large part of the economy; in Kenya “about 63% of the Kenya population directly and indirectly depends on the co-operative related activities for their livelihood” (Government of Kenya, 2010).

This revival is part of a series of transitions for co-operatives which spans changes in definition, education, ownership, legal and policy change. Government controlled for many years, co-operatives in Africa are now gaining more autonomy and looking to operate within a shared set of values and principles (see Appendix 2). They have been strengthened by the global legal and policy framework outlined in 2002 in ILO Recommendation 193. There is an emerging consensus that successful co-operatives need to be based on a market led approach, are independent and commercially viable.

Progress towards the adoption of this new co-operative model has been uneven. This is in part due to the poverty and lack of a market that co-operatives face. It is also related to the different histories of co-operatives across Africa and varying colonial legacies. These legacies inform how the co-operative movement and sector is structured and the interplay between the two. In countries, such as Uganda and Lesotho, which were former British Colonies or protectorates, there is typically a single national umbrella organisation which is the national co-operative federation and is known as the apex body in which secondary level co-operatives (often called unions) participate. The unions themselves bring together a number of village level co-operatives – often known as primary societies (Develtere et al, 2008). Alongside the co-operative movement there is a government department responsible for co-operatives – they are responsible for registration, legal issues and representing co-operatives in wider government structures like the cabinet.

There are other group structures in Africa such as associations but in Uganda and Lesotho, co-operatives are seen to have legal foundations and support structures that people deem important. Added to this people appreciate the international principles and values as they feel this guides them when running and operating their group – of particular relevance are democratic voting structures for decision making and leadership positions<sup>3</sup>.

**Box 2<sup>4</sup> - Defining co-operatives – benchmarks for co-operatives**

Co-operatives:	Co-operatives should not:
<ul style="list-style-type: none"> <li>• Controlled and owned by their members</li> <li>• Every member takes part in decision making and has one vote</li> <li>• People join on a voluntary basis</li> <li>• Profits are shared equally</li> <li>• Businesses</li> <li>• Leaders are elected democratically</li> <li>• Concerned with improving the lives of people</li> </ul>	<ul style="list-style-type: none"> <li>• Be controlled by the state</li> <li>• Exist for the interests of individuals</li> <li>• Be organisations where people are forced to join</li> <li>• Have shareholders</li> <li>• Have leaders who are self-appointed</li> <li>• Be only concerned with profits for shareholders</li> </ul>

### Box 3 – Examples of co-operatives in Uganda

**Twekembe Farmers Co-operative** - They are a farmers' co-operative but also provide savings and credit to their members. They are based in Bukanga sub-county which is a very rural area – far away from the nearest town of Iganga in Eastern Uganda. Established in 2002, they have 300 members – a mixture of ages, both genders are represented but men are the majority. They also have a youth wing of 60 members – this aims to ensure youth are represented in the co-operative. Members farm individually and grow crops such as coffee, maize, rice, millet and groundnuts and also keep livestock. They then bring their produce together, store it, transport it, enabling them to market and sell it in bulk. This enables them to get a better price for their crops and livestock, than if they sold them individually. They established the savings and credit services to enable them to assist fellow farmers who needed additional money for farm inputs and when crops fail. Some farmers groups do have group crops but it is more common to find shared fields which are used for demonstration of different farming techniques. Group projects for livestock are more common. They offer trainings to their members on a monthly basis. They do have a Board, they do not have an office but do have a Manager, he is a volunteer as they do not have the finances to pay for either of these things.

**JoyFod Savings and Credit Co-operative (SACCO)** - Established in 2004 and based in Buwenge sub-county in Eastern Uganda. This co-operative has over 1,400 members who have savings accounts with them and are taking loans. People in rural areas find it difficult to access the formal banking sector – as most banks are far away in town and there are costs involved in opening and maintaining an account. JoyFod is based in the community and most members are known to the SACCO staff. Members say this makes it easier for them – there are no or limited travel costs in getting to JoyFod and they find it easier to approach SACCO staff as they know them. Members are encouraged to save first before they can take a loan – this allows members to build capacity to manage their finances before taking a loan. JoyFod typically loans money to local farmers who need to access extra money to manage the cash flow issues associated with farming.

They also specialise in loaning money to young people – young people can struggle to get loans as they do not have collateral to back up the loan – JoyFod uses other methods such as training and peer collateral (groups of youth loan money together and as a group are responsible for the loan) to manage this. JoyFod has four paid staff and a Board who oversee their operations.

Both of these co-operatives are registered with the Department of Co-operatives and are also a member of the umbrella organisation for co-operatives Uganda Co-operative Alliance (UCA).

Front of JoyFod SACCO, Buwenge Sub-County, Uganda



## Challenges facing co-operatives

Co-operatives have had a long and complex history. They certainly do not provide a problem free path for development. For some co-operatives, working in tune with the core values and principles has remained problematic. Co-operative boards and their members often lack capacity in terms of knowledge and skills. Levels of member participation may be low. There are often negative perceptions of co-operatives based on previous experiences of the government controlled ones. Moreover the change from state-controlled co-operatives to more autonomous ones is not something that can be achieved quickly or easily. Governments may be reluctant to diminish their control and the co-operative movement can lack the capability and 'voice' to support their development. (Chambo et al, nd; Develtere et al, 2008). Furthermore government departments are under-resourced and field staff may lack knowledge and experience with co-operatives.

## Co-operatives and young people

As we have seen, young people face many challenges. What is the potential of co-operatives to help tackle them? Although there are some studies that begin to discuss this potential (ILO, 2002; MacPherson et al, 2005; Mtonga-Mukumbuta, 2008), there is much more that needs to be done. So far, these initial studies have highlighted the positive impacts being a member of a co-operative can have on a young person; co-operatives can enable young people to take control of their own lives by providing them with an income together with the skill to make decisions and put in place strategies to deal with challenges in life. They have also been found to have other effects like helping young people save for further education and providing HIV prevention education. Furthermore, young people who have established co-operatives have done so because it aligned with their own values, such as equality and democratic ideals and a need to help the wider community. Young people's engagement with co-operatives can therefore be seen as enabling them to realise a sense of citizenship as well as supporting wealth creation (MacPherson et al, 2005; Chambo, 2007; Mtonga-Mukumbuta, 2008).

**Table 1 - Impact on a young person of being a member of a co-operative<sup>5</sup>**

Impact – economic and social
Opportunity to build a livelihood
Generation of an income
Ability to provide food security to them and their families
Additional income to further their and their families' education
Personal development
Motivation and focus in life
Development of skills
Changed opinions of young people
Development of new groups of peers and networks
Opportunity to exercise and develop citizenship

However there is a lack of discussion about how these positive changes occur and the extent to which they happen. What are the foundations for these changes? These are some of the questions that this research looks to address.

A further aspect of young people being part of co-operatives relates to the way they themselves can influence and change existing co-operatives. Chambo (2007) believes there is a need for the growth of a new form of co-operative in Africa which is more member controlled and socially minded (reflective of the ICA principles) but admits that this will be a challenge due to tradition of government controlled and economically focused co-operatives that exist. However Chambo argues that youth co-operatives "can go this kind of distance" and "test" out and develop these new forms. One study (ILO, 2002) found that young people brought an energy and dynamism to their membership which meant that they were helping make the changes needed to transform a more traditional co-operative into a genuine one: creating space to develop independent and voluntary co-operatives initiated and led by members, a significant shift from what had existed during the British colonial period and post independence.

# Outline of the Research

The focus of the research was on capturing the experiences, perceptions and voices of young people. At times, research about children and young people has tended to focus on adult opinions of their experiences. Young people need to be involved in the activities of research. A qualitative approach was used so as to build an in-depth understanding of particular groups of young people and their engagement with co-operatives. Where possible, the research process was participatory; young people were consulted on the methods to be used and data was reflected back to the participants to check its accuracy and get their input into the data analysis

A total of five individual co-operatives were selected for in depth analysis. Each co-operative was visited on several occasions and individual and group interviews were conducted, focus group discussions and a photo and written diary project, as well as interviews with stakeholders connected to these co-operatives. Crucially repeat visits to the youth co-operatives built a relationship between the researcher and the research participants which built a platform for an in-depth analysis.

Because the majority of the participants were young people, less formal types of methods were used so as to keep the young people engaged and comfortable with the research process. One result was that notes were taken during research activities as it was found in Uganda that formally recording interviews could inhibit the research participants. Other approaches allowed the participants to take control over the data collection. This included a photo project – where members were given a disposable camera to take photos of what was important them and members also kept a diary of their activities with the co-operative.

Research was also conducted with stakeholders at a national level – the aim here was to assess what the overall situation was for co-operatives and young people in each country, in particular whether a revival of co-

operatives is taking place and what the drivers are for this and also the drivers for the development of the young people and co-operatives in the country. Interviews were conducted with various staff from relevant government departments, co-operatives, donors and support organisations such as Non Government Organisations (NGOs).

## Country case studies

Two countries were chosen for the case studies: Lesotho and Uganda. The following section explains the thinking behind this and provides a brief country background.

### Lesotho

Lesotho was selected as there is an established co-operative sector with a policy of engaging young people with co-operatives – both in schools and in the community. It is a small mountainous country entirely surrounded by South Africa. There is a population of two million with 56% living in poverty. Economically Lesotho relies on agriculture, remittances from migrant workers employed in South Africa mines, and more recently through selling water to South Africa which now provides the government with 65% of its revenue.

In recent years the number of men from Lesotho working in South African mines has fallen drastically causing major problems. Farming has been affected by changes in weather patterns and overall agriculture is in decline. In the face of these challenges, co-operatives are being seen by some as a way to stimulate business activity in a range of sectors and take on some of the challenges.



The research was conducted in Lesotho over a two month period and focused on the wider co-operative sector (including other youth co-operatives) as well as the ones chosen for the in-depth case studies. Two youth co-operatives were selected for a detailed analysis – one a school based co-operative and one a community co-operative.

Right: Focus Group Discussion with young people, Lesotho

Below: Rural Lesotho



## Uganda

Sitting astride the equator in East Africa, Uganda has a population of just below 33 million of which the majority (80–85%) of the population live rurally and work in agriculture (Mrema, 2008). Since the late 1980s, Uganda has begun to recover from civil war and economic challenges to become one of the more peaceful, stable and prosperous countries in the region. In the last decade it has experienced a good rate of economic growth, averaging 7.8% since 2000. Furthermore it has managed to decrease defined rates of those living in poverty from 56% in 1992 to 31% in 2006 to 24.5% in 2009 (World Bank, 2009). Despite these promising advances there are still significant challenges facing the country, a quarter of the country still live in poverty and those areas of the country where the past conflicts were prevalent face acute problems in areas of youth unemployment and social cohesion (UNDP, 2009). Furthermore most people working in agriculture are engaged in subsistence farming which has been described as “disguised unemployment” (Lepp, 2007).

As in the case of Lesotho, the research in Uganda was conducted with the research sector as a whole and alongside this three co-operatives were selected for an in-depth analysis. This included two youth co-operatives and one co-operative with a mixture of youth and adults. Research took place over a three month period.



Above left: Centre of Kayunga district, Uganda

Above right: Pilot study, Uganda

# The Co-operative Sector in Lesotho and Uganda

In this part of the paper data will be combined from the research and secondary literature to provide a picture of the co-operative sectors in both Lesotho and Uganda.

## Lesotho

Co-operatives were introduced into Lesotho in the 1940s by the British government and began with mohair and wool products. The sector has seen periods of growth and decline since that time; despite this co-operatives have remained a constant presence in people's lives and in the economy. Today there is renewed interest in co-operatives and this is under-pinned by the government's focus on job creation and enterprise development and the recognition that co-operatives have a potential role to play in stimulating these areas (Government of Lesotho, 2000). This has been supported by changes in the co-operative policy and proposed changes to the legal structure.

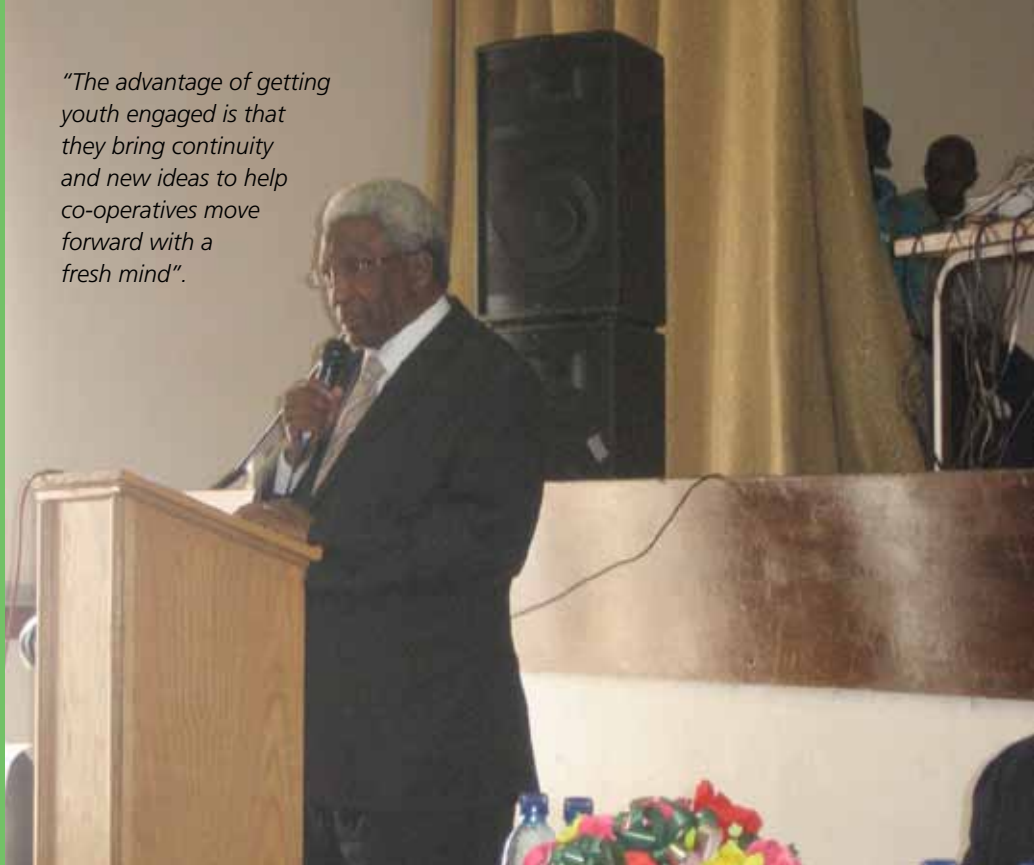
It is difficult to find out the exact number of co-operatives in Lesotho as the government is currently undertaking a process of checking each registered co-operative to assess if it is still active or not. Estimates are that around 300 are active and, of these, the majority are multipurpose; these are co-operatives that are doing more than one activity, for example, handicrafts and agricultural marketing. Other key areas of business for co-operatives are agriculture and savings and credit. Members of co-operatives have tended to be women as many of the men have been away working – in fact there is currently a drive to increase the number of men in co-operatives especially as they are made redundant from work in South Africa.

The apex body in Lesotho (the national co-operative federation) has recently started to rebuild itself after a period of dormancy. The government continues to take a leading role in co-operative development. In particular the Department for Co-operatives, which is based in the Ministry of Trade and Industry, Marketing and Co-operatives, plays a central role. The department works on the co-operative legal and policy framework, as well as oversight of co-operative education, garnering resources and advocating on behalf of co-operatives. There are offices and co-operative officers based at district levels throughout the country – these officers play key roles in supporting the primary co-operatives, advising on how to register and providing training. Though this central role played by the government suggests a lack of an autonomous movement, the Department is fully committed to maintaining the autonomy of co-operatives and promoting a values-based co-operative model. Moreover they are actively trying to support the revival of the national federation.

Generally donors do not play a role in the co-operative sector in Lesotho, IFAD and ILO are stakeholders for co-operatives but their influence is minimal. This makes the co-operative sector very much a Lesotho led and owned approach that seeks to address some of the challenges the country faces; such as getting processing going, supporting farmers to buy inputs and market their products and give people who want to help themselves a group model that fits with these values. The Department also works closely with the International Co-operative Alliance (ICA) Regional Africa Office and co-operative movements in other countries in the region. They also have a Co-operative College in Maseru with over 100 students taking a Diploma in co-operatives and business.

One of the challenges for co-operatives in Lesotho is a lack of access to markets for local producers. The economy is struggling to grow and many products are imported from South Africa. This includes vegetables and fruit and it is difficult to break into these markets. As a result, some co-operatives have been innovative and started co-operatives in new areas of the economy like tourism but many still face the basic challenge of not having buyers for their service/product. The Department is keen to try and support co-operatives to tackle this by engaging in value addition and trying to tap into international markets, for example with their handicrafts.

*"The advantage of getting youth engaged is that they bring continuity and new ideas to help co-operatives move forward with a fresh mind".*



Khotso Matla, Assistant Minister, The Ministry of Trade, Industry Marketing & Co-operatives opening 2009 co-operative youth conference, Lesotho

As part of increasing activity in the co-operative sector, there is a substantial emphasis in the department on engaging with young people – making them aware of co-operatives and training them on how to set up co-operatives. There are now 20 registered youth co-operatives and up to 20 youth co-operatives in the process of registering. Young people are seen as pivotal to the development of the co-operative sector – seen as bringing new skills and ideas to the movement. But there is also a belief that co-operatives represent a way to develop young people as the leaders of tomorrow. To support this, annual youth and co-operative conferences have been held where over 150 youth co-operators attend and learn key skills. This is supported through a partnership with the Co-operative College in the UK.

## Uganda

The co-operative sector has a long and varied history. Currently co-operatives are still prevalent in agriculture but there are also well-established consumer co-operatives with a growth in new sectors, such as handicrafts. The number of SACCOs is rising rapidly (Develtere et al, 2008). Members of the co-operatives tend to be men, only 24% are female, as members of agriculture co-operatives are commonly the (male) person who owns the land. For worker run co-operatives, it is the men who tend to be formally employed and become members of the co-operative (Mrema, 2008). This issue is now recognised though and there are efforts to make co-operatives more accessible to women and also to young people (UCA, 2009).

Official government statistics report on 10,000 co-operatives but many are dormant and not functioning:

**Table 2 – Breakdown of co-operatives in Uganda  
(Government of Uganda, 2008)**

Agricultural Marketing	55%
Savings and Credit	23%
Multipurpose	6%
Others	16%

There is debate around the number of 'active' co-operatives, the figure seems to be somewhere between 7,500 (Mrema, 2008) and the 10,000 stated by the government (Government of Uganda, 2008). Like Lesotho, Uganda is finding it a challenge to establish which of the existing co-operatives are active but has not made the checks that Lesotho has – namely visiting each co-operative to check its status.

The story for Uganda is very different to Lesotho; the movement here is stronger, led by Uganda Co-operative Alliance (UCA). The government still plays a role but UCA acts as a core voice for the co-operatives in the country. The Department of Co-operatives within The Ministry of Trade, Tourism and Industry is responsible for recent policy and legal change. The relationship between the two has changed over the years since at one time co-operatives were government dominated, and then in 1990s the

state suddenly withdrew its support which led to a near collapse of the whole sector. However there has been a remarkable revival with a rapid growth in the numbers of successful co-operatives. Today the government recognises the potential of co-operatives particularly for the development of the important farming sector (Government of Uganda, 2008). However maintaining the balance of power between the movement and the government is complicated; for example the government now has a well resourced programme focusing on providing funding to savings and credit co-operatives. There is concern that this can make SACCOs beholden to the government and also means the general public are starting to perceive SACCOs as government controlled – a return to the old way the co-operative sector was organised.

There is also a Co-operative College with over 300 students, mainly aged 20 to 25 studying for a diploma in Co-operative Studies and there are several co-operative donors like Canadian Co-operative Association (CCA) and Swedish Co-operative Centre (SCC) operating in the country. It is also worth mentioning that in the area of savings and credit co-operatives there are a number of other partners, the government's micro finance department and the World Bank for example are key players in this part of the co-operative sector.



The UCA is placing emphasis on young people, stressing that young people are essential to the future of co-operatives and that co-operatives can help young people cope with the various identified poverty-related challenges typically facing them (UCA, nd). The YEECO Project (Youth Economic Empowerment through Co-operatives) has been running for several years and has established just over 60 youth

co-operatives throughout the country. The funding from the SCC for this programme has now finished and UCA is currently looking for ways to continue the youth focus.

The following table gives an overview of co-operative sectors in Lesotho and Uganda and is useful in comparing what is happening in the two countries:

**Table 3 - Contrasting the co-operative sectors in Lesotho and Uganda<sup>6</sup>**

	<b>Lesotho</b>	<b>Uganda</b>
History	<ul style="list-style-type: none"> <li>• Established by the British for mohair and textile products.</li> <li>• Used by colonial governments.</li> <li>• Effected by liberalisation but did not collapse.</li> </ul>	<ul style="list-style-type: none"> <li>• Established by Ugandan farmers for improving export of cotton.</li> <li>• Used by colonial governments and then by national governments post independence.</li> <li>• Collapsed after liberalisation.</li> </ul>
Legislation	<ul style="list-style-type: none"> <li>• Co-operative Societies Act 2000.</li> <li>• 2009 National Co-operative Policy.</li> <li>• Commitment to reform legislation in line with the new national policy.</li> </ul>	<ul style="list-style-type: none"> <li>• 1991 Co-operative Societies Act.</li> <li>• 2008 National Co-operative Policy.</li> <li>• Commitment to reform legislation in line with the new national policy.</li> </ul>
Nature of the Revival	<ul style="list-style-type: none"> <li>• Led by government.</li> <li>• Co-operatives seen as key for job creation and enterprise development in a range of sectors.</li> <li>• Emphasis on co-operatives in a range of areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Led by the apex body.</li> <li>• Co-operatives seen to bring economic development and important social development too.</li> <li>• Primarily seen in connection to agriculture by the government, but beginning to be seen more broadly.</li> <li>• Growth of number of market led co-operatives.</li> </ul>
Sector/Type	<ul style="list-style-type: none"> <li>• Mainly multipurpose.</li> <li>• Growing numbers of SACCOs.</li> </ul>	<ul style="list-style-type: none"> <li>• Mainly agricultural.</li> <li>• Growing numbers of SACCOs.</li> </ul>



	Lesotho	Uganda
Structure	<ul style="list-style-type: none"> <li>• Tiered system but weak apex.</li> <li>• Co-operative College in existence.</li> </ul>	<ul style="list-style-type: none"> <li>• Tiered system but strong apex.</li> <li>• Co-operative College in existence.</li> </ul>
Government-Co-operative Control Continuum	<ul style="list-style-type: none"> <li>• Government controlled and weak movement.</li> </ul>	<ul style="list-style-type: none"> <li>• Strong movement and government playing a supportive role.</li> </ul>
Members	<ul style="list-style-type: none"> <li>• Majority of women.</li> <li>• Urban and rurally based.</li> <li>• Young and older members but increasing number of young people.</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of men.</li> <li>• Generally rurally based.</li> <li>• Young and older members, but generally older members.</li> </ul>
Approach to Young People	<ul style="list-style-type: none"> <li>• Young people prioritised in schools and the community.</li> </ul>	<ul style="list-style-type: none"> <li>• Young people, along with women and other disadvantaged groups prioritised.</li> </ul>
Image of Co-operatives	<ul style="list-style-type: none"> <li>• Generally positive.</li> </ul>	<ul style="list-style-type: none"> <li>• Mixed, can be positive but can be based on historical experiences of co-operatives and therefore they are often perceived as for older people, for farmers and as government controlled.</li> </ul>
Key Partners	<ul style="list-style-type: none"> <li>• ICA Africa</li> <li>• Co-operative College UK</li> <li>• IFAD</li> <li>• ILO</li> </ul>	<ul style="list-style-type: none"> <li>• SCC</li> <li>• CCA</li> <li>• ICA Africa</li> </ul>

# The Engagement Between Young People and Co-operatives

## How do young people engage with co-operatives?

The research showed that there are two main ways that young people engage with co-operatives:

- Through becoming a member of one. Within this there are two main distinctions:
  - Youth-only co-operatives – which can be made up of students (only found in Lesotho) and based at a school or be a mixture of students and non-students (mainly the latter) based in the community.
  - Co-operatives with a mixture of both young people and adults, mainly based in a community.
- Via being a student at a school or a Co-operative College and being taught about co-operatives.

This section analyses these different types of youth engagement with co-operatives and provides a variety of case studies of youth co-operatives.

### Youth co-operatives

The first youth co-operatives were established in Lesotho in 2003 and in 2000 in Uganda. Often these were existing youth groups/associations that then decided to transform to a co-operative structure. These co-operatives have been established as a result of increased efforts to engage young people with the sector. In Lesotho this has been driven by the government, through the Department for Co-operatives and in Uganda by the UCA. Start up activities have included awareness raising and training activities - which then resulted in young people setting up and developing a co-operative.

These co-operatives adopt different models; some are youth only co-operatives – where all or the majority of the members are classed as young people (generally 18 to 30 years old) or as part of a co-operative where there is a mixture of youth and adult members, sometimes with a young wing.

There are examples of both of these co-operative models in Lesotho and Uganda but the mixed co-operatives tend to only be recognised as youth co-operatives if they have a particular focus on youth issues and not if they just have youth members. However, legally youth co-operatives are registered as general co-operatives as there is no separate category for them. Records and knowledge of which co-operatives are youth focused is therefore held separately to the official registry of co-operatives.

Youth only co-operatives have been formed in a range of sectors but the common ones for the different countries are as follows:

**Table 4 – Common youth only co-operatives**

Uganda	Lesotho
Agricultural	Savings and credit
Savings and credit	Agricultural
	Multipurpose
	Service providers – ie tourism or catering or consultancy

The youth only co-operatives focus exclusively on the needs of young people and have young people in leadership positions; they have received training specifically for young people and tend to see themselves as unique and different to other types of co-operatives. The mixed co-operatives prioritise the same issues but often to a lesser extent – especially in terms of the leadership positions – it depends on the awareness of the issues effecting young people and the willingness to address these.

Most young people join as they want to generate an income and also as they want to make friends and build their contacts, gain exposure to new ideas and have the opportunity to access training. There was recognition that as a group they would be better placed to build financial resources and access other opportunities than if they stood alone. Members tend to come from

the same community and will be both in school and out of school youth. The intensity of their membership can vary – they may visit their co-operative each day, weekly or every few months – to some extent it depends what else is going on in their lives, other jobs/businesses, whether they are at school, also how dependent they are on the co-operative for income.

The following table gives an overview of the youth co-operatives in each country:

**Table 5 – Overview of youth co-operatives in Lesotho and Uganda**

Facts/Common Features	Lesotho	Uganda
Number of co-operatives	22 registered	61 registered
Common type	Range	Agricultural and Savings and credit
Number of members	10-15 members	50+ members
Age of members	20-25	25-30
Gender	Good balance male and female.	Often co-operatives have a majority of male members especially in the agricultural co-operatives.
Key support organisation	Department for Co-operatives	UCA
Location	Urban – especially in the capital Maseru.	Rural.
Regular Support	Annual youth co-operatives conference. Ongoing support district based co-operative offices. In pipeline is a revolving loan fund.	The YEECO has now finished but in the past training and some finance in form of small grants via Co-op Africa. This was mainly from UCA headquarters.

The majority of the registered youth co-operatives are youth only co-operatives; however some of these may have started with only youth but now have some youth who are now considered adults so can also be considered as mixed co-operatives. The youth only co-operatives can therefore change over time and interestingly there was not a situation where youth were asked to leave as they become too old for the co-operative. In fact there was appreciation of what older members could bring to a co-operative but also recognition that in mixed co-operatives youth can get overlooked, especially in terms of leadership positions.

The following pages provide case studies of different types of youth co-operatives:

#### **Box 4 – Kigayaza Youth Co-operative, agricultural sector, Uganda**

This is a farmers' co-operative which was established in 2004 and is based in Kigayaza Village in Kayunga District, in the Central Region of Uganda. Their main activities include selling agricultural produce together, such as maize, which enables them to get a better price for it. They also have shared projects including pigs and growing trees. They concentrate on sharing information with each other, including through training and meetings which they see as a way to build each other's knowledge. They have received a series of sensitisation and training meetings provided by UCA through the YEECO project. It now has over 100 members who are all farmers mainly aged between 25 and 30.

They hold monthly meetings and as and when they need to call meetings for training – they also feel free to visit other members' farms at any time and consult them. When I asked members about the benefits of being a member of a co-operative, several were cited. They said that being in a co-operative has enabled them to access opportunities, such as building networks with other organisations that then provide them with training, or seeds or information on farming. They also talk about the skills and knowledge they have acquired, including information on new farming methods, in particular which crop to grow and when.

Kigayaza Youth Co-operative faces challenges. It is difficult to recruit female members, to mobilise some members and find resources to further the co-operative. In particular, it needs money to build a store which will better equip it to combine (bulk) their crops and wait for a better price and also buy a mill for its maize crop, which would enable it to add value to maize by milling and packaging it. They also lack a central office and do not have staff, the board co-ordinates and conducts activities. They have appreciated and been motivated by the YEECO project and are concerned what will happen now that it has finished. That said, Kigayaza has a strong leadership and motivated members, many of whom know and are committed to their co-operative being independent, democratic and autonomous and running according to the co-operative principles and values.

Kigayaza youth co-operative, Kayunga District, Uganda



### **Box 5 – Subeng Dinosaur Youth Co-operative, Tourism sector, Lesotho**

They started their activities in 2007 and now have around twelve members – mainly young people but also some older people – most of whom are from the local community of Hasimone in Leribe District, North East Lesotho. They focus on tourism, in particular on encouraging people to visit the dinosaur footprints they have found near their community. They provide guided tours of the footprints and produce handicrafts to sell, such as moulds of the dinosaur footprints, jewellery and artwork. Recently, they have managed to get road signs notifying drivers on the main road of the existence of the footprints and this has greatly increased the number of people coming to visit them and therefore the income that they get from the entrance fees. They have also built a rondavel (in this case a small one room structure made of stone with grass thatching) which provides a central point to people visiting the site – where members can also display their handicrafts and hold their meetings.

Any money they get from the entrance fees they save and reinvest in the co-operative. However they do make some personal income through selling their handicrafts through the co-operative. Whilst this is a small amount (about 4 GBP per week), this does contribute to their basic needs such as food and buying more supplies to make more handicrafts. Interestingly, all members believe that it takes time for a co-operative to grow and hope that in time the co-operative will provide them with a substantial income. Most members visit the site on a daily basis – they go to await visitors who they can take on a tour, make handicrafts and generally keep the site clean and tidy. This is because most of the members are unemployed and have no chance of permanent work; they have the time to be at the site and see it as ‘what they do’; it is like a job, and their way to help develop themselves and their lives when there are very few options open to them in terms of finding a livelihood. Furthermore, members also reported that being a member of the co-operative keeps them focused and gives them something constructive to do with their day – they say that if the co-operative was not there they would have nothing to do with their time and would be more likely to get involved with ‘risky activities’ such as taking drugs or drinking.





Subeng Dinosaur Youth Co-operative, Leribe District, Lesotho

### Students in schools as members of youth co-operatives

In Lesotho there is another dimension to youth co-operatives and that is student co-operatives – these are established at schools and the membership is made up of students. The members tend to be younger, around 15 to 18 years old, and they are often supported by a teacher at the school. The aim is about generating an income for the students but it also represents a learning experience for them where they can learn about how to set up a business as part of their extracurricular activities.





Mr and Miss Co-operative, Rise and Shine student co-operative, Mohales Hoek, Lesotho

## **Box 6 – Rise and Shine Student Co-operative, savings and credit, Lesotho**

This co-operative started activities in 2004 and now has around 40 members aged 15 to 21 years, who are all students at Mophale Hoek High School. Their main activity is the provision of savings and credit to students who are members and also to teachers at the school. Students often need to loan money to help with their cash flow problems – this often is a lack of money to pay school fees or to buy school uniform (they cannot attend school without school uniform). They found that they needed to raise more money to meet the demand for loans and knew that there was a limit to what they could save as a co-operative. They therefore decided to organise a number of fundraising activities at the school. One event was an entertainment day where they charged students to attend. They entertained students through a beauty contest and had a Mr and Miss Co-operative competition. It was interesting to see youth translating co-operatives in a way that would appeal to other youth.

They are now planning to continue with the savings and credit activities and also establish a poultry project at the school. They recently called a meeting with parents of students in the co-operatives and persuaded them to donate the materials and the labour to build a chicken coop. The principal felt that this emphasised the positive attitude that the parents have to their children being in the co-operative. In the past they have also produced peaches. All these different activities highlight the flexibility of the youth – they do not get stuck in one way of thinking or operating – they look for new ways to solve the challenges that face them. They also show how innovative youth can be – thinking of new ways to do business that does not necessarily conform to usual co-operative activities.

## Students from Co-operative Colleges

Co-operative Colleges also offer a way for young people to engage with co-operatives and are present in most East and Southern African countries. In Lesotho and Uganda, the Colleges offer full time diploma and certificate programmes which recruit young people who are looking to further their education after school. The curriculum for College programmes, such as the Diploma in Co-operative and Business Studies, includes co-operative values and principles, co-operative policy and law and financial matters. Students gain skills and knowledge about co-operatives. They represent a potentially important human resource for governments and co-operatives alike.

### **Box 7 – Young people at the Co-operative College in Uganda**

The College houses 350 students, all pursuing co-operative related diplomas combining ideas on business, micro finance or co-operative management. This makes it one of the central providers of education on co-operatives, particularly for youth in Uganda. Students are generally being between the ages of 19 and 35 (although the average age is 23 to 24 years) and they are taught about the technical skills that they need to run a co-operative, such as accountancy and marketing. They also learn about the history of co-operatives in Uganda, what a co-operative is, how its structure works, how it should be governed and the current debates and ideas in the co-operative arena, as well as the values and the principles of co-operatives. This gives students a holistic and practical foundation from which to set up their own co-operative or join an existing co-operative.

This education means the students are developing as individuals as well as developing technical skills. They talk about how their views on society have changed the need to care for their community and work with others to achieve what they aim for in life. They are changed by their time at the College, and this type of personal development transcends the diploma that they get when they graduate – it affects how they live their lives, how they do their jobs and how they view society. It produces a group of young professionals that are a human resource for the co-operative sector in Uganda. They are trained co-operators who understand how co-operatives have changed in Uganda, are committed to developing and supporting grass roots co-operatives, able to train other members in the core principles of co-operatives and ready to sensitise the public at large to the potential of co-operatives.



Student at the Co-operative College in Uganda

In Uganda, College students learn through a work placement where they spend several weeks working in a co-operative or related public or private sector organisation. Students emphasise the importance of the placement as it provides a chance to get some valuable on the job training.

Unfortunately, there is no encouragement for the students to set up and run their own co-operative while at the College. One further challenge is that the co-operative sectors currently struggle to absorb college graduates. As a result, many go on to work in the private sector, for government or for NGOs. This is clearly a critical problem which needs to be addressed.

### Other significant activities for engaging young people with co-operatives

Another key development in Lesotho is the creation of a National Federation with a membership from youth co-operatives and which will be able to represent their interests. The new federation should be registered soon and will represent the first such youth body in the region.

Alongside this there are a number of educational and awareness raising activities taking place which can be crucial in placing the seeds of understanding and ideas about co-operatives in the minds of young people. These include youth co-operatives going to other community groups to talk about co-operatives, new schools and youth groups being invited to attend co-operative training workshops and staff from co-operative movement organisations holding talks with young people on co-operatives in a variety of settings like schools and churches.

It is worth noting that most youth co-operatives are set up as a result of other stakeholders' efforts; the idea of establishing a co-operative has been presented to a group of young people who then make the decision to engage with co-operatives. Young people reported that they knew about co-operatives but did not think they were a viable option for them; seeing them as being for older people. This suggests that to engage young people with co-operatives there is a need to put in place awareness raising activities/training before they will get started with co-operatives.

## **Impact – economic, personal development, skills and social**

Once young people became engaged with co-operatives, the research showed that they did benefit from the experience in a number of ways. Often, when the impact of co-operative membership is discussed it is often assessed in terms of the financial impact – the impact on income. However, the impacts of membership in co-operatives included social as well as economic benefits. This is important, as it highlights how the co-operative model can enable young people not only to better manage their economic situation but also how they view themselves and their future, as well as their relationships.

The next section will explore these different dimensions that co-operative membership has for young people: looking at firstly the economic effects; then the personal and skills development; and finally the wider social impact. These impacts were found in co-operatives in both Lesotho and Uganda. The section finishes with a brief note on the support structures and barriers to this style of engagement with co-operatives.

**Table 6 – Overview of the impacts of co-operative membership on young people**

Economic Impact	Personal Development
<ul style="list-style-type: none"> <li>• Increases in income.</li> <li>• Access to finance and financial services.</li> <li>• Development of personal finance skills.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of psycho-social life skills (relating to internal processes of thinking and feeling which effect how a person lives their life).</li> </ul>
Skills Development	Social Impact
<ul style="list-style-type: none"> <li>• Technical skills.</li> <li>• Vocational skills – including understanding of co-operatives.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased contacts and networks.</li> <li>• Parents/guardians/teachers opinion of youth improves.</li> <li>• Increased involvement and interest in the affairs of their community.</li> </ul>



Youth Co-operatives Conferences, Lesotho. 'What does your co-operative mean to you?'



Focus Group Discussion with youth co-operatives in Uganda

## Box 8 – Wide range of impacts on young people

**Impacts of being in a student co-operative** – “They get a loan for paying school fees. They get food as they produce food together – the school gave water and the space for a garden – they eat from this and then sell the surplus. They develop a sense of solidarity – if they see one not having clothes they then donate some. It also helps them to be linked with people outside - other youth in the country, youth from overseas and they get a chance to go to the youth forum.” (Extract from an individual interview with a teacher who supports a student co-operative.)

**Personal development** – “The best thing I have learnt is how to live and work with other people. Some people are bullies and not patient. I have learnt this by mistakes and then tomorrow I know not to do it again. I have also learnt how to communicate with others – when to go with one person and at times go with your own opinion. I have learnt to negotiate. I now see relationships with members working in a peaceful way but before there were quarrels, now willing to say let bygones be bygones. Shows me that I know I can get on with people, as I can let things go and forget yesterday.” (Extract from an individual interview with a member (27 years old) of a youth co-operative.)



## Economic Impact

Economic impact was not just about an increase in personal income, but also about improved access to finance, as well as improved knowledge and skills on managing economic activities.

Young members received income either through sharing profits from the business activities of the co-operative or selling their own products through the co-operative. Members reported that in general their co-operative only provided small amounts of income; but this was enough to buy basic necessities, such as food, help towards school fees, money for school books etc but this was not a 'full' income that equated to what they saw as a living wage. In some cases, members were making more substantial incomes but they seemed to be in the minority. In the co-operatives where members were experiencing higher levels of poverty, they attached greater emphasis to the small amounts of money they got from the co-operative and the need for the co-operative to make money if it was going to be of service to them. All members hoped and believed that over time their co-operative would grow and develop and provide them with a greater level of income.

Secondly, incomes also increased when young people were able improve their own enterprises which they ran outside of the co-operative. This suggests they were able to transfer knowledge gained through the co-operative to their other activities. They reported that increases in income did not often come from sharing profits but was often as a result of other benefits they obtained via the co-operative such as better access to finance, knowledge and skills or a market; all these enabled them to increase their individual enterprises. This is a vital benefit given the lack of opportunities and local markets for businesses in both rural and urban areas.

Many co-operatives are also involved to some degree in savings and credit activities. Sometimes this is their core business and they are aiming to make income from the interest on savings or interest made on loans. For others, it is a 'add on' activity for the co-operative and is more about offering a service to members to save and then receive loans. Members reported that access to financial services, especially access to credit, was very important. Both the knowledge that they have access to finance when they need it – the security of this – and the actual ability to get loans were crucial for members. They reported that it was easier to borrow from their co-operatives for a number of



reasons: less collateral is needed; co-operatives are physically nearer to them resulting in lesser transport costs; and they preferred to deal with people they knew. Loans were often used for school or college fees, investment in other businesses and also for basic needs like uniform and food.

### Box 9 – Importance of access to user friendly finance

**Mohammed's story:** Mohammed Ngobi opened a savings account at JoyFod SACCO five years ago and since then he has been saving and has taken several loans to help him improve the little shop he runs near his home. He stocks drinks, biscuits, candles, matches and other household items. Each loan has enabled him to gradually expand his shop and also his farm; taking a bigger loan each time he successfully repays the last one. He says he likes JoyFod more than other micro finance providers as they are more understanding with repayments and he has had access to training. He has attended training in the importance of saving and also how to keep records for businesses. He believes record keeping has enabled him to keep a track of his stock but also give him an idea of the profit or loss that he is making. He is also better able to keep account of his customers and when he has offered them credit and when he needs to follow up on that. The growth of his business and his commitment to saving has enabled him to accumulate enough money to further his education and he has recently completed his O levels.



Mohammed, a JoyFod member in his shop

The case study of Mohammed shows how members could gain knowledge on how to manage their personal budget and finances through their co-operative experience together with the importance of saving. This is generally learnt through observing and being involved with how the co-operative’s finances are managed and by transferring this knowledge to their personal finances.

The increased income that members generate acts as a catalyst for changes in other parts of their life. They use it to help cover the basic necessities of food and health but where they can they often use it to further their own education and their families’ education – they see this as a way to change their lives in the long term. The extra income is also used to make improvements to housing, especially sanitation. Members often use the extra money to set up other small businesses – buying a box of fruit and then selling it at the market and using profits to buy extra stock for their shop. This highlights the development of a more entrepreneurial approach and how a little extra income can have a multiplier effect.

**Box 10 – Impacts of increased income**

**Godfrey's story:** He has been member of Kigayaza Youth Co-operative since it began in 2004. He is a farmer and primarily produces pineapples. He says that one of the main skills he learnt was record keeping.

He says that he can now keep a track of his farming activities; how many pineapple plants he has planted, the cost of inputs and then the price he got for his products. This has enabled him to analyse whether he has made a profit or loss and in turn which crops are better for him to invest in.

ACTIVITY	QUANTITY	RESOURCE	COSTS	TIME FRAME	EBIT
SUCKERT	1000		55000	1st-10/10/11	
LAND CLEAR	1000	MAN-LODGE	50000	1st-10/10/11	
PLOUGHING	1000	TRACTOR	10000	1st-10/10/11	
TRANSPLANT	1000	TRACTOR	5000	1st-10/10/11	
PLANTING	1000	MAN-LODGE	10000	1st-10/10/11	
HARVESTING	1000	TRACTOR	10000	1st-10/10/11	
MARKETING	1000	MAN-LODGE	10000	1st-10/10/11	

Godfrey's record keeping



He says he has gradually been able to improve and expand his farm. The increased income he has gained has enabled him to make improvements to his home, ensuring it is rainproof and that there is adequate sanitation. It has also meant he can buy a motorcycle. He uses this to get around but he also uses it as a taxi and makes good additional income from it.

Godfrey on his bike

These findings have shown that it is important to take a broad view of the economic impacts of co-operatives on young people; recognising that it is not just about the additional income but also about the extra knowledge and skills they gain.

### Personal development and skills

These findings show how we need to understand that a critical way in which co-operatives benefit young people is by providing them with a 'learning space'. In many cases, learning and skills development does occur as a result of informal learning processes, as well as more formal programmes or courses.

The following table is based on information from Focus Group Discussions (FGD) where members of youth co-operatives were asked to discuss the skills they developed and how they did so. They reveal a wide range of skills and illustrate the different ways they acquired them.

**Table 7 – FGD with 18 members of a farmers’ co-operative, aged 23 to 30 years, Uganda**

What skills have you developed?	How was it developed?	How do you use the skill?
Leadership	UCA and the experience of being a leader.	In my job as a teacher and in the family home.
Minute taking	In meetings at the co-operative.	Allows me and the co-operative to follow up on actions.
Interpersonal skills	Training from UCA.	Use this in my business, particularly the provision of customer care.
Record keeping	UCA training.	Evaluate profit and loss in co-operative and my own farm.
Mobilisation	Experience in the co-operative.	In meetings in the community.
Sharing ideas	In co-operative.	Establish ventures that have already been tried by friends and they also have remedies for the challenges.
Training skills	Attendance at workshops.	Sensitisation of community members.
Knowledge transfer	When telling members who missed meetings about what was discussed.	Contributes to better yields.
Task management and planning for business	UCA and other organisations’ training.	Avoid middle men and over exploitation.
Maintaining personal hygiene	Talking to members in the co-operative.	Changes to toilet at home.
Confidence	Position in the co-operative.	Can communicate and stand firm in groups in the community.

## Personal development

All members of the different co-operatives reported having undergone personal development. As they compare themselves to the person they were before they joined the co-operative and after they became a member they see positive change and development. The following table summarises the key areas of personal development that were reported<sup>7</sup>:

**Table 8 – Summary of personal development of young people in co-operatives**

Self-esteem
Self-confidence/Self-awareness
Personal discipline
Ability to listen/Ability to communicate
Problem solving
Negotiation skills
Ability to co-operate and work with others
Tolerant and open-minded
Self-help
Self-responsibility
Motivated and focused on life
Sense of responsibility
Time management
Leadership skills
Knowledge on HIV/AIDS

These are often referred to as ‘psycho-social life skills’; personal to the individual and relating to their general lives. All members say that being in the co-operative has ‘focused’ them on their own development and making a positive future for themselves and their families. Many report that being a member of a co-operative has kept them busy and away from risky behaviours such as drug and alcohol abuse, unhealthy relationships and crime. Generally this personal development came through learning via active membership; from the experience of being in a co-operative; attending

meetings, discussions interactions with other members and also observing other members’ behaviour.

This appears, in turn, to be intrinsically linked to the values and principles of the co-operative. When young people talk about how they have developed as a result of being in the co-operative, for example, they talk about being more responsible and focused on looking after themselves and their family which is linked to the value of self-responsibility. The research also highlighted that youth in co-operatives were on the whole well-versed in co-operative values and principles. They develop this knowledge in a number of ways, especially via the training, advice and visits they receive from co-operative support organisations. In addition, the co-operative leaders and board members make values and principles part of internal training, visual displays and operations so that they become embedded in many aspects of the co-operative. Members then think about them and absorb them on an ongoing basis.

**Skills**

Aside from this personal development members reported developing a range of business and technical skills, these included:

**Table 9 – Summary of skills developed by young people in co-operatives**

Planning	Marketing
Ability to evaluate work	Working with clients
Running a business	Leadership
Book keeping	Mobilisation
Financial management	Training
Savings and credit	Knowledge sharing
Risk taking	Enterprise selection
Knowledge of their particular business - Farming skills, Handicraft skills, Management of tourists and tourism	Knowledge of co-operative model/ values/principles

These were more likely to be developed through formal training sessions, mainly delivered by the Department for Co-operatives, the apex body or by other organisations supporting youth co-operatives. However if access to external training is limited, then co-operatives tried to help develop skills internally where possible. There could be formal training sessions in the co-operatives delivered by members who had knowledge on the different areas.

There were, however, some skills and areas of knowledge that were not available internally. Members also reported learning from interacting with the other youth co-operatives attending a training session. Skills were reinforced and refined through participation in the activities of the co-operatives ie while members may have learnt about financial management at a formal training; their capacity for financial management is improved when they are actually carrying out financial activities within their co-operative.

### Box 11 – Personal and skills development



Rise and Shine members

**Puleng's Story:** Puleng is 18 and at Mohales Hoek High School and part of Rise and Shine Youth Co-operative. She joined in 2007 and is now the Secretary on the Board. She says that she has developed good communication skills and is now better able to manage the customers of the co-operative. As they run a SACCO she

pointed out that handling clients is key to their success – in terms of encouraging them to use their services and then also handling clients who do not make their loan repayments. She feels that this can help the co-operative grow and has also given her the confidence to set up a small business at home like selling fruit. Puleng says that since joining the co-operative she has made a positive change to her life – whereas before she may have been tempted to get involved with bad things such as drugs she is now busy and focused on school and the co-operative. (Extracted from individual interview data.)

For young people, their co-operative learning environment is a broad one and they are developing in many ways through being connected to the co-operative. They may learn from external sources but also through the experience of being in the co-operative – via meetings, carrying out the co-operative’s business or through discussions with the fellow members.

The development of co-operative members owed much to the opportunity provided to practice and reinforce their skills in the work of the co-operative as well as to any technical and vocational training provided externally.

### **Broader effects of what young people learn**

For many young people, the skills they develop also help them improve their lives outside the co-operative – whether it is setting up small income generating activities and making some extra income or better managing their personal finance.

*Increasing personal agency - “My self-confidence increased as a result of being in the co-operative and this gave me the ability to say my opinion and the fact that I had a vote in all the co-operative affairs also enhanced this. This combined with being more responsible meant my parents were more willing to let me make decisions for myself.”*

(Extract from individual Interview with a member (23 years old) of a youth co-operative.)

All reported that the co-operative experience prepared them for later life; to take care of themselves and their families, this was particularly the case for those young people that were orphans and needed to be able to generate their own income and manage their (and often their siblings) future themselves. Their membership also provided valid work experience so that they can more easily get a job together with some basic skills to ensure that they do their job well. Finally some have gone on to establish their own business as they have learnt how to do it that in a co-operative – crucial in an economic environment where jobs are scarce. Young people see their co-operative experience as a ‘stepping stone’ where they get the chance to experience the ‘real world’. They appreciate this as a unique learning experience that they would not get at school or anywhere else and see it as ‘invaluable’.



## Box 12 – Co-operatives preparing young people for jobs and setting up businesses

### Khombelwayo's experiences 'Preparing youth for world of work':

"Before one becomes a professional you can get a chance to get acquainted with things in co-op movement, learn business things that you cannot learn in schools. It helps us enter the world of business. It has helped me to set up my computer business." (Extracts from individual interviews.)



Business Plan training, Uganda

## New energies

As young people develop, this can also have an impact on the wider organisation of the co-operative. It helps them become better members – more likely to attend meetings, better able to build relationships with other members, more likely to take part in discussions and decision making in the co-operative. As they develop better financial skills, for example, members reported they could understand the financial situation of the co-operative better rather than just relying on the accountant. Many were also committed to raising awareness of the co-operative model within the school or community – they believe it can help others based on how it has helped them and they are keen to share this.

Young co-operators also had an impact on co-operative structures and development. They were not confined by experiences of the past as some of the older co-operators were. There was a willingness to try out new ideas for their co-operatives such as looking at new areas of business like

tourism or transport. Their vision for co-operatives is strongly linked to the international co-operative principles and values and recommendations set out in ILO Recommendation 193. In reality, this means that they look on their co-operative as a business, they strive for equal numbers of males and females on the board, they are concerned for their communities; they work to ensure each member gets a vote and that profits are shared equally and they are not willing to be compromised by individuals or any organisations interests.

## Social Impact

This final section looks at how co-operative experiences affect young people's views of people, the community and society, and their activities in these different spheres.

At times, members report that parents/guardians are pleased with them being in the co-operative. The parents think it has brought a positive change to the individual (along the lines of the personal development listed previously) and at times brought extra income into the family home. Young people say they are more 'trusted' and this leads to them being included in some family decision making and being left to make some of their own decisions. Where young people are living more independently they say that the collaborative style of decision making in the co-operative has made them change how they make decisions at home – now recognising the importance of consulting their spouse.

*Co-operatives changing relationships - "My life has changed, I used to smoke drugs and I am now in the co-op and responsible. I do not now smoke drugs. (How have you developed this through the co-op?) The organisation is now growing up and I want to see its success, I am therefore motivated to stay healthy to make a success of the co-op and not do bad things. (What are the effects of this?) I have improved relationships at home and with the family. In particular with my dad. (Why has he changed his mind about you?) Because I have stopped drinking, he saw me drinking and thought I was 'futureless'. Now he sees me and sees I can do things in the co-op. Before he would trust my brothers and not me, now consults me and wants to talk to me about important matters."*

(27 year old member of a youth co-operative.)

Members also reported that at times community members' opinions of them become more positive as a result of their commitment to their co-operative. As a result, they are consulted more on community issues; they are then invited to community meetings and events and even sometimes take up leadership positions in the community. Alongside this young people are more interested in their neighbours and the community at large – they want it to develop and feel that they have a role to play in this. Some say that they always had an interest in the community and that being in a co-operative gives them the opportunity to exercise it. Others say this was a value that they developed through being in the co-operative and reflective of the principles and values of co-operatives. In fact about half of the co-operatives reported that there are co-operatives formally engaged in activities for the vulnerable people in their community such as giving clothes and donating vegetables to orphans in the community. This again emphasises that co-operatives are a learning experience for young people and that this learning is under-pinned by the co-operative values and principles.

Young members also reported that some local people could, on occasion, form a negative relationship with them as they become jealous of the success of the co-operative and its members. Many have learnt through experience that in these situations they need to open up communications with the wider community, ensure they are aware of co-operative activities and invited them to join if they wish.

Many also reported that their fellow members were a 'peer group' for them, a group of friends, who they could share experiences with, be supported by and learn from.

*Learning how to make friends - "From day one, until the 4th November 2010 I learned how to communicate with other students in co-operatives, in class and other people in the community because before I became a member of the co-operative I was a lonely girl and people called me a selfish girl. Now they call me Miss ever smiling, talkative and many more nice names and that changes my life because people now love me and I have friends. Apart from that I learned the skills now how to work for myself in order to get money. For example I learned how to loan money and measure interest."*

(Extract from a diary written by a member of a student co-operative (18 years old) about their co-operative experiences.)

All members said that being in a co-operative had allowed them to meet new people. They felt that they got 'exposed' to people and organisations that they would have not met otherwise. This in turn connected them to opportunities – such as local government schemes or individuals who helped improve their business. Organisations interviewed often reported that they felt that they could more easily access the young people if they were in a co-operative – they knew how to contact them and they knew by virtue of being in a successful co-operative that they were reliable group of young people; therefore giving them credibility in the eyes of other organisations.

As with economic impacts, there is a need to take a wide view of the social impacts of co-operative membership. Membership enhanced how young people viewed their community, helped build skills and improve their relationships as well as providing them with opportunities to benefit from connections to new people and organisations. Of particular interest is their increased involvement in the community – this started with a concern for other members of the co-operative but moved to the community at large. Members were interested in their neighbours and their community's development and were ready to play their role in this – taking up leadership positions, donating to vulnerable people in the community - and committed to finding collective solutions to problems in the community through consultation and democratic decision making. It reflects and reinforces the core co-operative value of concern for the community.

## Support structures and barriers

It is important to recognise that it is not automatic that young people will develop and gain skills as a result of being in a co-operative or that they will increase their income or that these things will change/be effected to the same extent across different young people or different co-operatives. The research highlighted that the level of impact varied from member to member and between co-operatives. It is therefore important to assess why this is – looking at the structures that support co-operatives as a learning space and the ones that act as barriers.

The benefits young people gain from co-operative membership is influenced by how successful the co-operative is, which in turn is influenced by how active the members are. These factors are in turn affected by the external environment that the co-operative operates in. They are inter-related and multi-layered but to help provide understanding I have split them into separate parts:

- **Youth is a fluid phase of life when the situation often changes** – this means that young people's needs change, their location can easily change, how much spare time they have and how much money they have can change and this affects how much time and energy they can dedicate to the co-operative. The less they are engaged with the co-operative the less impact it will have on them.
- **Level of support** – is crucial to the success of a co-operative and the development and motivation of members. Co-operatives needed considerable support when setting up. Support is successful when it is broad in nature including both business and technical skills which are embedded with a framework of co-operative values and principles. The more support a co-operative has the more motivated members become, the more access they have to external opportunities, like training, motivates and develops members; in turn these developments then increase the success of the co-operative.
- **Attitude to young people** – what community members and members of the co-operative think of young people and their willingness to engage with them and bring them into the co-operative model has a bearing on this situation. Perceptions of young people in society and within the co-operative are often negative – young people can be restricted from getting leadership positions or the co-operative movement could resist an explicit focus on youth.
- **Access to learning opportunities** – access to external training opportunities is influenced by the educational levels of the members, and often more educated members get selected for the external training opportunities. At the same time, more educated members tend to have more skills and knowledge to share with other members. Gender played a role - within the co-operative male members were often more likely to get selected for external training opportunities (this was particularly the case for co-operatives in rural areas) and particular co-operatives may get selected for certain opportunities.
- **Factors in successful co-operatives** – the more active the members, the more successful the co-operative was the general rule. A more successful co-operative will generate greater income and more experiences and opportunities to engage in activities for the members. The success of a co-operative also depended on external factors such as the market and the viability of their business.

- **Lack of capital and access to capital** – this was a problem for some members and inhibited the growth of the co-operative. Co-operatives often could not raise the necessary capital from their members because of their poverty. There was also a lack of funds to stimulate learning activities – such as paying for external training opportunities or facilitating internal training.

## Key research findings

The potential effect on youth in co-operatives is positive – they can generate a livelihood and undergo significant personal development and acquire skills and develop a sense of citizenship. But this effect is not automatic it depends on a range of factors (some of which were discussed at the end of the last section) which stakeholders working with young people and with co-operatives can work to manage and put in place an environment that will enhance co-operatives as a learning space for young people.

- Co-operatives can help young people increase their income, both through collective activities or through enhancing the members individual businesses.
- Young people are attracted to co-operatives versus other groups due to their legal, policy and support frameworks and the nature of co-operatives - as enshrined in the co-operative values and principles.
- However young people do not always see co-operatives as relevant to them and their situation – this is often the result of historical legacies of co-operatives in different countries.
- This increased income can be used as a catalyst to improve other development aspects of a young person's life; such as education and health and this results from not only the increased income but also the things that young people learn through their co-operative experience.
- This is part of seeing co-operatives as a learning space for young people, where they are part of and engage in a range of learning experiences and develop many skills and personally develop. This space involves young people engaging in both external learning processes to the co-operative and being part of the internal operations of a co-operative.

- The learning through the experience of being in a co-operative is fundamental to the skills that they gain and personal development that they go through and the social change they experience – in fact it often reinforces any external education that they manage to access. These situated learning experiences are intrinsically linked to the values and principles that co-operatives are built on.
- These learning outcomes transcend the co-operative to the broader lives of a young person; they transfer skills acquired in the co-operative to other jobs or business and it changes how they think about and plan for their future.
- It also affects the broader social aspects of their lives, how they perceive themselves, the community and the relationships and activities they take part in – seeing beyond their individual needs and developing concern for their fellow co-operative members, as well as the members of the wider community; seeing themselves as having a role in their own development but also the development of others.
- This concept of co-operatives as a learning space and the effects that this learning has on young people is not a linear process and is affected by a range of factors. Whilst the potential of impacts of co-operatives on young people is broad and potentially transformative it is key to recognise the potential barriers to this. It is to this I now turn as a final note on the findings in this research.

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Youth co-operatives  
learning through  
drama, youth  
conference, Lesotho



# Conclusions and Policy Recommendations

For these findings to be of further use they need to be considered and taken forward by a range of stakeholders who include people and organisations interested in helping young people improve their livelihoods and develop; the wider co-operative movement and aid donors.

The following is a set of policy recommendations which can stimulate activity between young people and co-operatives and then crucially support and sustain it in the long term and to work to ensure there is optimum impact for the young people in the co-operatives.

## Changing attitudes and ideas of all stakeholders

### **Recognition of the potential of co-operatives for young people's livelihoods and development**

The first youth co-operatives were established in Lesotho in 2003 and in 2000 in Uganda. Often these were existing youth groups/associations that then decided to transform to a co-operative structure. These co-operatives have been established as a result of increased efforts to engage young people with the sector. In Lesotho this has been driven by the government, through the Department for Co-operatives and in Uganda by the UCA. Start up activities have included awareness raising and training activities - which then resulted in young people setting up and developing a co-operative.

### **Recognition that co-operatives are a learning space for young people**

Through their experiences of being in a co-operative, young people have access to and are part of a multi layered learning space. They are situated in a web of learning processes which are generated by the members of the co-operative, through interactions with other members and co-operative activities as well as external experiences – all of which provide the young person with new knowledge and skills. They then use this in their lives



outside of the co-operative, in their other jobs and businesses, and for other developmental priorities in their lives.

### **Expansion of the understanding of the impact of the co-operative experience for young people**

The research has highlighted that the experience and impact of co-operatives on young people should be seen broadly - looking beyond the traditional economic impact to a more holistic understanding of co-operative membership - where the personal development and skills development are analysed and considered, as well as its broader social impacts.

## **Taking Action**

### **Provision of support for young people's engagement with co-operatives**

Many organisations and young people do not see co-operatives as relevant to them nor do they understand how they work. Programmes need to be set up that can make young people aware of and gain experience of co-operatives. Newly established youth co-operatives also need access to start up finance. It should be recognised that this is often only a small amount of money which should be in the form of loans so as to not undermine their sense of self help and responsibility. Training support is also needed as local provision is normally very limited and under resourced.

Co-operative movements themselves need to focus more on young people, raising their awareness of the co-operative model and enabling them to set up or join existing co-operatives. Co-operative movements need to recognise that young people can bring unique skills and perspectives that can support the revival of co-operatives and help adapt it for the future.

### **Expansion of the concept of co-operative education**

This relates to the fact that skills and development in a co-operative is often attributed to external and formal processes of learning ie member's access to formal education and training opportunities and on the acquisition of technical knowledge. However, members often learn and develop through their internal experiences in the co-operative, through socially constructed processes, through discussions with other members, through the situated experience of being a co-operator, through attending meetings etc. Internal learning processes are as important and effective for development of the co-operative members and therefore the co-operative as an organisation

as external and formal education. Furthermore, whilst technical skills are crucial, they need to be underpinned by the development of a person as a co-operator. As such these processes should be cultivated and supported as part of the broader agenda for co-operative education.

### **Inclusion of Co-operative Colleges as a level of engagement for young people**

The graduates of these Colleges are young people with co-operative knowledge and skills. They need to be supported to set up or join primary co-operatives when they leave the College and work for other organisations. They can help co-operative development but College curricula could benefit from recognising the importance of the different ways in which co-operatives act as sites of learning for young people.

### **Promotion of the co-operative model as a learning tool in schools**

The co-operative model can provide a crucial learning experience for students. Setting up school based co-operatives helps students develop knowledge and skills which can help them get a job or develop a livelihood when they leave school. For some students, it can also provide an income to enable them to stay on in school.

### **Further research**

Globally there is a very little research on young people's engagement with co-operatives and this is particularly the case for countries in Africa. This paper aims to begin to fill that gap.

In particular a useful extension of this research would be an investigation of other countries in the region where efforts are being made to actively include young people in the co-operative movement such as include Kenya, Botswana, Ghana, South Africa and Swaziland.

It would also be important to continue to research the situation in Uganda and Lesotho. The funding for youth engagement activities in Uganda is now finished – have the youth co-operatives proved sustainable? For Lesotho, research tracking the progress of student co-operatives and new national apex body for youth co-operatives is important.

In this time of increasing youth populations in Africa and severe unrest among young people in North Africa there is a pressing need to explore

ways to enable young people to change their lives – of particular importance is how young people can build a livelihood for themselves. The co-operative model of a collective private sector business underpinned by internationally agreed values and principles and with established movements in many African countries has the potential to do this. This research has found that co-operatives can increase the incomes of young people but it also has broader effects. It can help them develop personally and gain skills, develop networks and change their relationships and engage with their community. The key to understanding this is to recognise that co-operatives represent a learning space for young people where they learn through internal learning dynamics which are situated and socially constructed as well as through external and formal trainings. Co-operatives can therefore be seen as a space where young people can develop core capabilities that they value and need to manage their lives in a changing world.

Petraus with his art  
and handicrafts, Subeng  
Dinosaur Co-operative



## Appendix 1 – Comparative Information for Lesotho and Uganda

	Lesotho	Uganda
Geographic Location	Sub-Saharan Africa – Southern Africa	Sub-Saharan Africa – East Africa
Population (World Bank, 2009)	2.06 million	32.7 million
Human Development Index Position (UNDP, 2010) – these positions both fall in those countries seen as having “low human development”	141	143
Life Expectancy at Birth (UNDP, 2010)	45.9 years	54.1 years
Adult Literacy Rate (UNDP, 2010)	82.2%	76.4%
Combined Enrolment Rate (UNDP, 2010)	61.5%	62.3%
% of People Living in Poverty (World Bank)	56.3% (2003)	24.5% (2009)
Type of Economic Approach	Free Market	Free Market
Type of Government	Democratic Constitutional Monarchy	Democratic

	Lesotho	Uganda
Conflict/Stability	<p>Political instability following independence.</p> <p>First democratic elections in 1998.</p>	<p>30 years undemocratic rule following independence.</p> <p>1986 current government came to power.</p> <p>Internal Conflict in the North ended 2 years ago.</p>
Colonial History	<p>British protectorate.</p> <p>Independent 1966.</p>	<p>British colony.</p> <p>Independent 1962.</p>
Rural/Urban	<p>80% of people living in rural areas (UNDP, 2006).</p>	<p>80-85% of people living in rural areas (Mrema, 2008).</p>

*Sources: Mrema, 2008; UNDP, 2006; UNDP, 2010; World Bank, 2003; World Bank, 2009.*

## Appendix 2 – International Co-operative Alliance Statement on Co-operative Identity

### Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

### Principles

The co-operative principles are guidelines by which co-operatives put their values into practice:

- **1st Principle: Voluntary and Open Membership**

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

- **2nd Principle: Democratic Member Control**

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

- **3rd Principle: Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

- **4th Principle: Autonomy and Independence**

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter to agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

- **5th Principle: Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

- **6th Principle: Co-operation among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

- **7th Principle: Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.

*Source: ICA, 1995.*



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Group discussions, Kigayaza  
Youth Co-operative

## Footnotes

- <sup>1</sup> ESRC - Economic Social Research Council. Case Studentships promote partnerships for PHD research between academic institutions and practitioners.
- <sup>2</sup> Unless otherwise stated all of the 'boxes' in this paper are based on the data generated during the research
- <sup>3</sup> Based on FGDs in the Research – participants were asked to discuss why they set up co-operatives versus other types of groups
- <sup>4</sup> This is based on FGDs in the Research – members of co-operatives were asked what co-operatives should be/should not be.
- <sup>5</sup> Derived from studies on youth in co-operatives in Africa ILO, 2002, MacPherson et al, 2005 & Mtonga-Mukumbuta, 2008 and also from this research.
- <sup>6</sup> Based on data collected in the research and secondary literature.
- <sup>7</sup> Extracted from the different research methods with youth in co-operatives and also from other evaluations of youth co-operatives (Mtonga-Mukumbuta 2008).









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